



**California Workforce Investment Board
Performance Based Accountability
Committee
Agenda Packet**



**Thursday
April 25, 2002
10:00 a.m. – 2:00 p.m.**

*Radisson Hotel
500 Leisure Lane
Sacramento, California*



CALIFORNIA WORKFORCE INVESTMENT BOARD Performance Based Accountability Committee

MEETING NOTICE

Radisson Hotel Sacramento
500 Leisure Lane, Sacramento, CA 95815

April 25, 2002
10:00 a.m. – 2:00 p.m.

Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair



Gray Davis
Governor

Andrew Baron
Executive Director

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In order for the Committee to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the Performance Based Accountability Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

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<http://www.calwia.org>

Welcome and Opening Remarks

- **Elvin Moon, Vice Chair**
- **Paul Gussman, Deputy Director**

Approval of the December 13, 2001 PBA Minutes

**CALIFORNIA WORKFORCE INVESTMENT BOARD
PERFORMANCE BASED ACCOUNTABILITY COMMITTEE
December 13, 2001
Fresno, California**

DRAFT MEETING SUMMARY

Members of the Performance Based Accountability (PBA) Committee of the California Workforce Investment Board (State Board) met in Fresno on December 13, 2001. A list of the Committee members who attended this meeting is attached.

Welcome and Opening Remarks

Mr. Victor Franco, the Chair of the Committee, reported that the State Board staff formed some work groups to address specific areas, and two of those are the Universal Access Work Group, led by Dr. Catherine Campisi of the Department of Rehabilitation, and the Small Business Work Group, led by Scott Hauge.

Mr. Franco announced the retirement of Peter Tsang, manager of the California Workforce Investment Board's PBA unit, and wished Mr. Tsang well. Committee members agreed to send Mr. Tsang a letter expressing the committee's appreciation for his assistance.

Deputy Director, Paul Gussman, briefed the committee on the December 6 Board meeting. He said Mr. Gotlieb mentioned that discussions are pending regarding creation of a state labor department, a move that would impact the California Workforce Investment Board. Mr. Gussman noted the Board also ratified the membership of a statewide Youth Council.

Mr. Franco thanked the City of Fresno for allowing the committee to use the Council Chambers. He also expressed appreciation to the committee members who were able to attend. Committee members introduced themselves and identified their affiliations.

Mr. Franco noted the staff would be reporting on a number of key developments since the last committee meeting: a regional view of workforce preparation programs using the PBA system; improvements that have been made to the PBA system itself; customer satisfaction efforts; and first-year performance information.

Approval of Minutes

A motion was made, seconded, and passed to approve the minutes of the August 15, 2001 meeting.

Regional Summary Report of the PBA System

Ms. Megan Juring discussed the staff's attempts to define regions for the purpose of aggregating data on local economics and performance of workforce preparation programs. She said the staff looked at the nine regions defined by the Economic Strategy Panel and the 50 workforce investment areas in California. For today's

presentation, staff eventually focused on aggregating data for three distinct regions: the Central Valley Area, the Bay Area, and Los Angeles.

Ms. Juring showed charts illustrating employment and unemployment rates, median earnings, and community college program results for different types of participants in each of the three regions. She noted the committee has yet to define goals and benchmarks that can be used to evaluate progress and success.

Mr. Michael Krisman commented that the federal government uses metropolitan statistical areas (MSA) for compiling data, and he suggested looking at those. Ms. Juring said the staff began by using labor market data gathered by the Employment Development Department (EDD), and then looked at the work of the Economic Strategy Panel. Mr. Gussman observed that the community college system is divided into districts and campuses. He noted it would be interesting to be able to overlay their maps and the federal MSA maps.

Dr. Luciana Profaca emphasized the importance of setting specific goals against which progress can be measured. Mr. Lloyd agreed, and noted that the Governor needs to be able to interpret the information collected so it can form the basis of wise policy decisions. Committee members agreed that standards need to take into account regional differences in costs and earnings as well as the different target populations of various workforce preparation programs.

There was general consensus among the committee members present that the staff should proceed with its efforts to aggregate data on a regional basis.

Progress Report on the PBA System

Ms. Juring noted the Year Three report will be published on the State Board's Web site. She said the staff has been working with the Web host company to enhance the format and usability of the site.

Ms. Pat Sherard reported that the State Board recently awarded a contract to the Franklin Hill Group to produce the Year Four report, and interagency agreements have been signed with all partners. She said the staff hopes to meet with the contractor in January to discuss the report design and format, and the report will be published by late August.

Mr. Ken Smith noted the staff has been working with partner programs to identify preferable methods of transmitting data that are less time-consuming and costly than manual transmission. He said the feasibility study will be completed by the end of January.

First Year WIA Performance

Ms. Deb Cusimano discussed the excerpt from the annual report detailing California's performance in the first year of WIA implementation. She noted California exceeded all negotiated goals related to employment, retention, and earnings. She said the outcomes for credentials and diplomas are inaccurate because Job Training Partnership Act (JTPA) programs did not collect that data during a significant period of time covered by the report. In addition, the cutoff date for the report was before June,

the time of year many diplomas are issued. Ms. Cusimano added that first-quarter results for this year show a significant improvement in both areas.

Committee members discussed adding an explanation of the skewed results for credentials and diplomas. Mr. Gussman said the staff would prepare a narrative explaining the discrepancies in the performance levels.

Local Panel

Elizabeth Fortune, Fresno Workforce Investment Corporation, discussed continuous improvement efforts underway to accommodate increased enrollment and enhance customer satisfaction. She noted Fresno County has a high unemployment rate, so the demand for one-stop services is high. Ms. Fortune said Fresno County Workforce Investment Corporation works closely with EDD, Department of Rehabilitation, and other partners. Ms. Fortune reviewed the results of recent customer satisfaction surveys involving both job seekers and local employers.

Jim Flowers, Tulare County Employment Connection, discussed the one-stop centers and programs in his area. He noted each of the three centers includes a business resource center staffed by representatives from partner agencies. Mr. Flowers reviewed the results of customer surveys regarding the one-stop resource room, services, workshops, and business resource centers. He said the information is reviewed by the one-stop site committees and will be used as a basis for improvements in the future.

First Year WIA Performance (Continued)

Dr. Eric Glunt (EDD) reviewed the results of customer satisfaction participant surveys for the first year of WIA implementation. He noted the surveys measured two kinds of customer satisfaction: satisfaction with the process, and satisfaction with the outcome. Dr. Glunt said the survey was based on the American Customer Satisfaction Index. He reviewed responses regarding participant expectations and helpfulness of one-stop services in obtaining employment.

Customer Satisfaction Efforts for 2001/2002

Cynthia Hobart (EDD) reported that EDD is in the process of hiring a contractor to perform various customer satisfaction surveys during the coming year.

Adjournment

Mr. Franco thanked committee members and the audience for their attendance and participation and he stated that the next committee meeting would be held in March in Sacramento.

There being no further business, the meeting was adjourned at 1:30 p.m.

**CALIFORNIA WORKFORCE INVESTMENT BOARD
PERFORMANCE BASED ACCOUNTABILITY COMMITTEE
December 13, 2001
Fresno, California**

Members in Attendance

Victor Franco, PBA Committee Chair, Manager of Community Affairs, Miller Brewing Company

Patrick Ainsworth, Director, Standards and High School Development Division, California Department of Education

Michael Krisman, Assistant Director, Policy and Programs, California Employment Development Department

Bill Lloyd, Director of Labor Affairs and Senate Relations, Governor's Office

Charr Lee Metsker, Chief, Employment and Eligibility Branch, California Department of Social Services

Victoria Morrow, Vice Chancellor, Educational Services and Economic Development, Chancellor's Office of the California Community Colleges

Luciana Profaca, Ph. D., Assistant Deputy Director, Department of Rehabilitation

Fourth Annual PBA Report – New Format Approval

YEAR-FOUR UPDATE

Proposed changes to the format of the Performance Based Accountability (PBA) Year-Four Report were introduced at the August 15, 2001 PBA Committee Meeting. Committee Members also reiterated, at this meeting, a desire for the report to be brief, consistent, easy to read and in a user-friendly format. Staff worked with the Franklin Hill Group, the contractor who will develop the Year-Four Report, to produce an enhanced tiered report format as the suggested format for the (PBA) Year Four Report. Attached is a comparison of the prior years' report format and the proposed Year-Four Report Format. The Year-Four Report is being proposed as separate reports including an Executive Summary, an Overview Chapter, Program Chapters including a Welfare Recipients Program Chapter and Detailed Standard Tables.

- Tier 1 - the Executive Summary will be a glossy one-page fold out which will include summaries of each of the programs, bar graphs of statewide data such as the state unemployment rate, median earnings of participants, etc.
- Tier 2 - the Overview Chapter (Standardized Report) will include analysis and all measures across all programs.
- Tier 3 - the Programs Chapter will include outcomes for participants from each program aggregated separately in a program-by-program analysis including longitudinal data and outcomes. Analysis in this tier will be customized to programs' particular target populations and goals. Leaver analyses will also be included dependent on program.
- Tier 4 - the standard tables will be detailed and made available to programs on the Internet with query or dynamic table creation capability in Year-Five.

PERFORMANCE BASED ACCOUNTABILITY REPORTS

PRIOR YEARS' REPORTS

PBA Overview

- State-level outcomes for selected measures
- Limited analysis

Program Chapters

- Same tables and figures for each Program; all measures
- No analysis

Welfare Recipient Chapter

- Tables and figures for welfare recipient outcomes in each program

Detailed Standard Tables

- Electronic version available on Internet (Years 2 and 3)
- No query or dynamic table creation capability

PROPOSED YEAR FOUR FORMAT

Executive Summary

- Single page (fold out) Report
- Analysis for each measure across all California PBA Programs' performance

PBA Overview

- State-level outcomes for all measures
- Includes analysis of significant regional/programmatic differences

Program Chapters

- Selected figures and tables for each program with analysis of target populations, goals and significant findings.
- Welfare recipients discussed in program chapter
- Includes five to seven bullet points at the beginning of each chapter to elevate significant outcomes relative to program characteristics and goals

Detailed Standard Tables

- Available on Internet
- Improved Navigation

**Consideration and Approval for Criteria/Methodology to Establish
PBA Standards**

Consideration and Approval for Criteria and Methodology to Establish PBA Standards

At the December 2001 Performance Based Accountability (PBA) Committee meeting, members emphasized the importance of setting specific goals towards which progress can be measured to better support policy decisions. Committee members agreed that PBA standards should be developed that take into account regional differences in costs and earnings as well as the different target populations of various workforce preparation programs.

Today's panel will discuss methodologies for developing benchmarks for the PBA system. The following PBA system measures will be discussed:

- **Earnings:** Existing PBA reports benchmark against poverty line information and the average manufacturer's wage for the state. The existing measure itself identifies the median change in earnings from before to after program participation. To develop a meaningful standard for earnings outcomes, the PBA system could compare local earnings levels after program participation to local self-sufficiency standards.
- **Employment Rate:** Existing PBA reports do not benchmark employment rate information against any standard. The employment rate could be compared against state, regional and local employment rates for the general population.

Earnings. The Self-Sufficiency Standards¹ methodology incorporates local economic and demographic variations into self-sufficiency standards for each county in California. The Self-Sufficiency Standard determines how much income working-adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard, the Self-Sufficiency Standard accounts for the costs of living and working as they vary by family size and composition and by geographic location. It accounts for differing housing costs, family characteristics, and the net effect of taxes and tax credits. Self-sufficiency standards are built from the community level, therefore the standard is not arbitrary.

Employment information is available both locally and for the State through Labor Market Information reports. The employment rate for the general labor force, or the adult sector of the labor force, could be utilized as a standard for comparison with outcomes of California's workforce preparation system.

A methodology could be used to measure progress towards standards of earnings levels and employment rates as benchmarks for program improvement. Analysis of local differentials between PBA outcomes and the standards would generate a statewide goal for improvement. The "report card" will indicate the system's and program's ability to achieve the goals. PBA outcome data and local self-sufficiency standards and employment rates would be compared to an area or

¹ Pearce, Diana, Ph.D. and Jennifer Brooks, *Self-Sufficiency Standard for California*, (Californians for Family Economic Self-Sufficiency and Equal Rights Advocates) November 2000.

region, not between regions. The difference between actual PBA data outcomes and self-sufficiency levels would be identified as a starting point in developing goals.

This would establish a first year analysis – benchmark – upon which to base subsequent year's outcome data. Progress towards these goals - a percentage gain in the PBA measure or indicator – would establish an expectation that subsequent year's participant outcomes would improve over time.

Attachments:

1. *Will Work Pay? Job Creation in the New California Economy*, April 2000.
2. *How California State and Local Agencies Use the Self-Sufficiency Standard*, National Economic Development and Law Center, April 2002.
3. *Policy and Programmatic Impact of the Self-Sufficiency Standard*, Wider Opportunities for Women.

Will Work Pay?

Job Creation in the New California Economy

April 2000

Executive Summary

By many measures, California's economy is booming. Unemployment rates are the lowest they've been in a decade. The state has regained the million jobs lost during the recession and added a million more. Tight labor markets have reduced unemployment among minority workers to all-time lows and the number of millionaires is at an all-time high. However, not all Californians have shared in the benefits of economic prosperity:

- Average hourly wages were lower in 1998 than in 1979 for the bottom 70 percent of California earners, after adjusting for inflation.
- The purchasing power of the California household exactly at the middle of the income distribution was lower in 1998 than it was in 1989.
- The share of Californians living in poverty rose by 19 percent between 1989 and 1998, from 12.9 percent to 15.4 percent.
- While the income of the wealthiest fifth of California households rose by 28 percent between the late 1970s and the late 1990s, the incomes of the poorest fifth fell by 19 percent; making California's income distribution the fifth most unequal in the country.
- There are a number of reasons why many Californians are falling behind. Frequently cited factors include changes in the structure of the state's economy, particularly the declining share of the workforce employed in manufacturing and the rising share of employment in the service sector; changing technology that favors high- over low-skilled workers; declining rates of unionization; global competition; and the relatively large number of immigrants in California's workforce. This report explores whether changing employment patterns are likely to reverse this trend for those who work or seek to work to support themselves and their families. Specifically, this report attempts to answer three questions:
 - Will there be enough jobs for those who want to work and must work to support themselves and their families?

- Do the skills required for the jobs that are available match the skills of those seeking work?
- Is the state's economy creating jobs that provide sufficient income to support a family?
- These questions are particularly timely in light of the recent changes to state and federal welfare laws. The new welfare laws were predicated on the implicit assumptions that there would be enough jobs available for those asking to work and that available jobs would provide sufficient income to support a family.

The findings presented in this report pose a critical challenge to policymakers and individuals concerned about the future of the state's economy and the well-being of California's families. This report concludes with policy recommendations offering a blueprint for programs and policies that will ensure that the jobs available in the future provide adequate wages for those who work to support themselves and their families. The strength and diversity of the California economy, combined with the resourcefulness of the state's populace, create an opportunity for progress on behalf of California's low-income working families.

For the full report, please link to:

<http://www.cbp.org/reports/0004pay.html>

How California State and Local Agencies Use the Self-Sufficiency Standard

April 2002

The Self-Sufficiency Standard, developed and calculated by Wider Opportunities for Women, determines how much income working adults need to meet their basic needs without subsidies of any kind. Unlike the federal poverty standard, the Self-Sufficiency Standard accounts for the costs of living and working as they vary by family size and composition and by geographic location. The Standard is available at www.sixstrategies.org.

In California, the Standard is distributed by Californians for Family Economic Self-Sufficiency (CFESS), a project of the National Economic Development & Law Center. Here is a sampling of how a number of California agencies have begun to use the Standard:

- In December 2000, the California Department of Social Services issued an All-County Information Notice informing all counties about the Self-Sufficiency Standard, and sent a copy of the Standard to all county welfare agencies.
- In Santa Cruz, the CalWORKs Welfare to Work program has been using the Self-Sufficiency Standard since 1998:
 - Copies of the Standard are provided to all recipients at enrollment;
 - The Standard is used as a budget planning tool in Job Search workshops;
 - Employment and training staff use the Standard when helping clients formulate a welfare-to-work plan.
- The Santa Cruz Workforce Investment Board adopted a definition of self-sufficiency that matches the Self-Sufficiency Standard, and the Local One-Stop adopted the dollar amounts promulgated by Wider Opportunities for Women in the Standard.
- The City of Pasadena Foothill Workforce Investment Board has adopted the Self-Sufficiency Standard as the eligibility criteria for moving clients into intensive services.
- The Chancellor's Office of the California Community Colleges has used the Self-Sufficiency Standard in its legislative analysis for proposing AB 2386 (Keeley), which would extend CalWORKs 18/24 month time limits for students in a community college program that will likely lead to a self-sufficiency wage job.
- The San Francisco Department of Human Services is using the Self-Sufficiency Standard with CalWORKs clients as part of career advancement, job retention and wage progression advising for clients who are exiting aid due to income.



A FEW THINGS YOU SHOULD KNOW ABOUT THE STANDARD

- The Standard is calculated ***separately for each and every county*** in California.
- The Standard takes into account the costs associated with ***differing ages of children and differing family sizes***; for example, childcare costs are higher for families with young children than for those families with teenage children.
- The Standard accounts for ***differing housing costs*** by county – a phenomenon especially prevalent in California.
- The Standard includes the ***net effect of taxes and tax credits***, including the Earned Income Tax Credit and the Child Care Tax Credit.

USING THE STANDARD WITH CLIENTS

- A “Self-Sufficiency Calculator” has been developed in Pennsylvania and New York, to advise clients about their “wage adequacy” (the degree to which a person’s wages meets the Self-Sufficiency Standard), as well as public assistance options for reaching self-sufficiency.
- A Self-Sufficiency workshop for at-risk youth has been developed in Washington, D.C. to highlight the difference between a “good job” and a self-sufficient job.
- Sacramento Employment and Training Agency uses a self-sufficiency measure (closely aligned with the Standard) to determine client eligibility for intensive services.

USING THE STANDARD FOR FEDERAL, STATE AND LOCAL POLICY

The Standard can be used to make the case for job training programs that pay a self-sufficiency wage, as well as welfare programs that provide opportunities for postsecondary education. The Standard can also show the direct impact of policy changes on family incomes, such as restructured subsidy programs or changing co-payment schedules. Wider Opportunities for Women, the national organization that has coordinated the production of the Standard for more than 15 states, advocates adoption of the Standard at the federal level.

FOR MORE INFORMATION ABOUT THE SELF-SUFFICIENCY STANDARD:

Californians for Family
Economic Self-Sufficiency (CFESS)/
National Economic Development &
Law Center (NEDLC)
(510) 251-2600 www.nedlc.org

Wider Opportunities for Women
(202) 638-3143
www.wowonline.org
www.sixstrategies.org

Parts of this brochure were adapted from “The Self-Sufficiency Standard: What It Is and Why It Works” by Wider Opportunities for Women.

The National Economic Development & Law Center
2201 Broadway, Suite 815; Oakland CA 94612
Phone (510) 251-2600 Fax (510) 251-0600
www.nedlc.org



Policy and Programmatic Impact of the Self-Sufficiency Standard

The Standard in the Workforce Development System

The Workforce Investment Boards in Chicago, Philadelphia, the State of Connecticut and Washington, D.C. are using the Self-Sufficiency Standard to determine eligibility for programs and services that they provide, and the Illinois Department of Employment Security allocated funding for calculation of the Self-Sufficiency Standard statewide.

The federal Workforce Investment Act established that incumbent workers who are not achieving self-sufficiency wages are eligible for “intensive” and “training” services, yet it did not define what a “self-sufficiency wage” is. The federal regulations allow states to determine what a “self-sufficiency wage” is but require that they, at minimum, use the Lower Level Standard Income Level established by the U.S. Department of Labor (a measure that includes some geographic variation, but is arguably an inadequate measure of needs for different family types in parts of the country). Chicago, Philadelphia, Connecticut, Washington, D.C. and others have chosen to instead use the Self-Sufficiency Standard – a more comprehensive and precise measure of income needs – to determine eligibility. The Standard for the State of Illinois is calculated using funds from the state’s labor department. Using the Self-Sufficiency Standard allows the workers who need services most to access the education, training and support available through the Workforce Investment system.

Examining Program Performance

The Self-Sufficiency Standard is being used to measure program performance in the Workforce Investment system.

In Massachusetts, WOW’s partner, the Women’s Educational and Industrial Union, conducted an analysis of the outcomes of two Service Delivery Areas in the state. WEIU compared the wage outcomes for three low-income populations served by each workforce development system in relation to the Self-Sufficiency Standard. The study found that although each population had their own barriers to obtaining self-sufficiency wages, the welfare-to-work population had a more difficult path than displaced workers or indigent workers. As a result of the study, nine other areas requested a similar analysis and the state earmarked funds in the 2001 budget to conduct similar assessments of how those receiving services in the workforce development system are faring on their path to self-sufficiency.

Training Front Line Caseworkers and Career Counselors

The Self-Sufficiency Standard is being used in Pennsylvania, New York and Washington, D.C. to train front line caseworkers and career counselors to better understand the income, education and training needs of low-income clients and to help move them forward on the path to self-sufficiency through the Budget Worksheet.

Diana Pearce, in conjunction with WOW’s Pennsylvania partner, the Women’s Association for Women’s Alternatives (WAWA), piloted the Budget Worksheet – a tool that allows career counselors and caseworkers to walk through a clients’ monthly expenses and then to test the adequacy of wages in certain jobs to meet those income needs. This tool allows all parties



involved to develop a better understanding of what potential career paths can lead to self-sufficiency for individual families. The Budget Worksheet began as a pencil and paper tool in Pennsylvania and is now a web-based tool in both Pennsylvania and in progress New York. In Pennsylvania, WAWA has trained both frontline and management staff in the Department of Public Welfare and staff in numerous community-based organizations across the state. WOW is working with the District of Columbia's Food Stamp Education & Training program to develop a training for front-line and management staff.

Modeling Public Policy Alternatives

The Standard is being used as an advocacy tool in state-level legislative policy discussions.

By modeling the impact of proposed policy changes on low-income families, advocates can argue for more progressive policies that support families on their paths to self-sufficiency. In Pennsylvania, Dr. Diana Pearce worked with WOW's Pennsylvania partner, the Women's Association for Women's Alternatives, to create a report called, "When Wages Aren't Enough," in response to a proposed increase in the co-payments parents had to pay for state subsidized child care. Using the Self-Sufficiency Standard for five different counties, we demonstrated that the increased co-payments would drastically effect the wages families would need to earn in order to meet their basic needs—in some cases, raising wage requirements to a level that would disqualify them for other supports (like Food Stamps) and in turn, raising their wage needs even higher.

In Massachusetts, the Self-Sufficiency Standard report modeled a more progressive tax policy for low-income families to demonstrate that an improved tax structure would allow low-income families to reach a self-sufficiency wage more easily. WOW's Massachusetts partner, the Women's Educational and Industrial Union, used the modeling to launch a campaign to make the tax structure fairer to low-income families. Although the tax package that was eventually enacted differed from the original model in the report, this model provided the concrete evidence to get the campaign off the ground.

Legislating the Self-Sufficiency Standard

States are adopting the Self-Sufficiency Standard as the official income a family needs to meet its basic needs.

In 1998, the state of Connecticut passed a law that required the state to commission the calculation of the Self-Sufficiency Standard as the official income employed adults needs to meet their families' basic needs. (Subsequently, Connecticut advocates built upon this legislation to affect workforce development policy, see above.) Currently, legislators and advocates in Massachusetts are working to pass similar legislation. A state officially adopting the Self-Sufficiency Standard is a significant step in institutionalizing the Self-Sufficiency Standard and changing the debate on poverty.



Lunch Program – Local Panel

New PBA System Progress Report

New PBA System Progress Report

The California Workforce Investment Board's (CWIB) Performance Based Accountability (PBA) Committee is redesigning the existing PBA system. The goal of the solution is to integrate and manage enterprise data from a multitude of sources, utilizing a scalable, extensible, high performance platform with an open architecture.

Effective January 01, 2002, the Department of General Services instituted a new process for technological acquisitions in the State of California to enhance acquisition and contract management of information technology projects. This new process is called the Information Technology Procurement Plan (ITPP), and includes five major components: Market Research, Acquisition Methodology, Procurement Risk Management, Contract Management Approach, Evaluation Factors and Standards Criteria.

Every state agency, department, board and/or council with an information technology proposal, special project report, alternative procurement or ongoing maintenance and operations project must develop this plan.

The PBA system redesign feasibility study report includes the ITPP as a required component. The California Workforce Investment Board's staff is in the process of composing the necessary elements for the ITTP Market Research component.

A preliminary informal market survey letter was sent to prospective vendors for budgetary and planning purposes. The information received will identify vendors best capable of meeting the business objectives and requirements, and the appropriate acquisition process for this project. The letter advises potential vendors of the special requirements of the redesign, with an emphasis on employing or contracting with Research Institutions that specialize in analyzing data from educational agencies and training programs.

The Feasibility Study Report, Section 5, indicates the pros and cons of alternatives researched in determining the appropriate solution. The proposed solution requires the selection of a System Integrator with sufficient resources to coordinate, manage, and acquire the components to successfully redesign the PBA system. The technological name for the solution identified in the FSR is "Data Warehousing", which is a system of storing and extracting information from databases that are comprised of smaller storehouses of databases. A diagram depicting the envisioned data warehouse solution is included in the draft ITPP for potential vendors completing the market survey.

Attachments:

1. Draft Information Technology Procurement Plan
2. Feasibility Study Report-Section 5

Information Technology Procurement Plan

BACKGROUND

The California Workforce Investment Board's (CWIB) Performance Based Accountability (PBA) Committee is proposing to redesign the existing PBA system. The goal of the solution is to integrate and manage enterprise data from a multitude of sources, utilizing a scalable, extensible, high performance platform with an open architecture. This plan addresses the procurement of a primary contractor/vendor designated as responsible for system development, integration of partner programs & systems, and securing the necessary partners to build the new PBA system. The system envisioned under this feasibility study is one that calls for an application that is precise, timely, and responsive to the individual needs of each partner program.

The selected contractor/vendor will need to coordinate the sharing of data for the purposes of program accountability between California's Department of Education, Employment Development Department, Department of Social Services, Employment Training Panel, Department of Rehabilitation, and the Chancellors Office of California's Community Colleges and the California Workforce Investment Board. This will potentially require sub-contracting with research institutions that are experts in analyzing data from the various agencies generating the program data that is evaluated. This will require knowledge of issues of confidentiality and privacy as it relates to each of the various government programs. The chosen contractor/vendor need not have independent knowledge in the area of privacy and confidentiality in the government programs, however, the selected contractor/vendor must employ individuals that have either contracted with government agencies in the past or are currently contracting with the programs and working on the issue of privacy and confidentiality.

The Governor of California's Budget Summary for 2002-2003, seeks to improve California's Workforce Development system through the merging of additional educational and labor based programs to formulate a new "Labor" agency, the budget summary speaks of utilizing the infrastructure of the PBA system as a method of program accountability for this new agency. The details associated with the development of the above stated process are in development by an appointed task force that is conducting hearings on the validity of the agency and the programs that will require performance accountability.

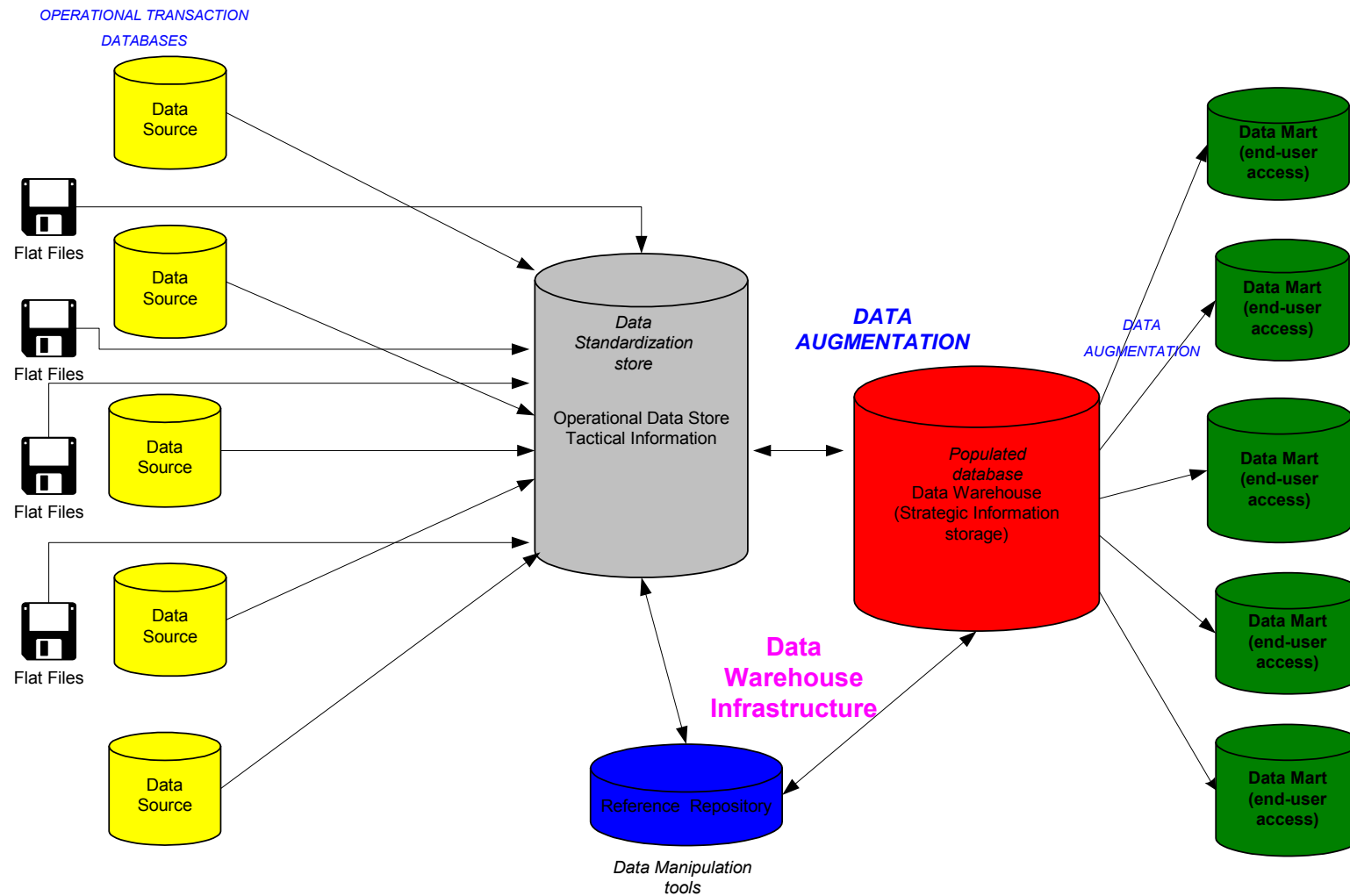
This IT procurement plan seeks to redesign the existing PBA system while leaving the existing infrastructure intact. The project is estimated to expend approximately \$3 million; the funding source of this expenditure is the Governor's 15% discretionary funds from the Workforce Investment Act of 1998.

What is a Data Warehouse?

A Data Warehouse is the decision support system repository for a single, unified view of corporate level data used in the decision-making process. At the highest level of abstraction the data-warehousing environment is divided into five major components:

1. The Data Acquisition Component is responsible for extracting, transforming, and loading data from one or more data sources (databases, flat files, syndicated data, e-data, etc.) into the Data Warehouse.
2. The Data Management Component is responsible for storing and managing the data sent to the Data Warehouse. The heart and soul of this component is a database management system (DBMS) equipped with powerful and sophisticated data access algorithms. This component is also responsible for providing security as well as data recovery.
3. The Data Delivery component includes business analysis tools responsible for accessing, analyzing and reporting the information needed to running an aggressive solution. This is the component used by business users to access data from the Data Warehouse.
4. The System Management Component is responsible for monitoring, managing and scheduling activities for the entire Warehouse Environment.
5. The Development Environment Component includes the development tools needed to implement the Data Acquisition, Data Management and Data Delivery components of the Warehousing Environment.

The proposed solution identified in detail in Section 5.1 of the Feasibility Study Report, seeks a system to provide the PBA system users with a wide array of reporting and information access. It also calls for a system with the capability of allowing direct on-line access, data extraction, transformation and transport technology. Best practices and technology industry professionals' refer to this type of a technological architecture as data warehousing. The diagram on the next page provides a basic data warehouse architecture for Business Intelligence Service Delivery.



2.0 MARKET RESEARCH

2.1 Effective Marketing Research in Formulating the Requirements

CWIB staff has done extensive marketing research on various companies that have designed, implemented and integrated successful data warehouses. There are literally hundreds of solution providers, which add to the complexity of selecting the appropriate vendor. Certain vendors offer solutions that contained only the basic elements of a data warehouse, and do not include or partner with entities that can provide the additional value added processes (such as, data validation and cleansing). These value added components are equally important in modeling the correct system for a Government entity. Data validation is essential in the PBA process as it assures the quality and integrity of the data that the application will process.

Prospective Sources

The CWIB IT Manager has attended several conferences, symposiums and presentations on data warehousing, and reports on the quality of services associated with the following Market-leading Vendors who specialize in data integration solutions:

- Deloitte & Touche Consulting
- Accenture
- PriceWaterhouseCoopers
- Arthur Andersen
- KPMG
- People Soft
- Data Advantage Group, Inc.
- Business Objects
- Oracle
- Microsoft

Each vendor listed above has a proven track record in the development of data warehouse solutions, and all are considered leaders in the field of designing innovative applications and solutions. Each vendor listed above has the ability to meet the business and project needs and objectives.

Attachment II-The PBA FSR, Section 5 (Solutions and Alternatives)

PBA FSR REDESIGN (Section 5)

5.0 Proposed Solution

As identified in the baseline analysis section of this report, there are several problems facing the CWIB in the production of the Annual PBA Report:

- The length of time it takes the vendor to collect, and compile information from the participant programs.
- The format in which the data is received requires extensive cleansing, conversion and validation.
- The availability of government administrative databases to match against the standardized database output contributes to additional delays in production of the final report.
- The length of time needed to develop the populated database and calculate the performance measures using proprietary software.
- Data is not provided in a user-friendly format for the program participants.

As the scope of the PBA system increases, the CWIB will continue to be unable to meet collection and reporting tasks within the timeframes required, and the cost to produce the Annual report will steadily increase.

This section presents the recommended long-term proposed solution for the PBA system. To meet the legislative requirements, the design of the PBA system must move away from a system that has multiple manual interfaces, intensive data verification & validation to a more automated system.

5.1 Solution Description

The proposed solution is alternative 4; it is the only alternative that best meets the business objectives and functional requirements identified in the Business Case for the PBA system.

To provide the PBA system users with a variety of reporting and information access services designed to meet a wide variety of needs: static reports, parameterized reports, and where appropriate, direct on-line access to information they have been authorized to view, extract and manipulate. Upgrade to a relational database. Upgrade data extraction, transformation and transport

processes to a technology that provides an audit trail of data processing and allows for better management of information and improved trend forecasting. Contract with a private vendor to perform system development and implementation and use civil service staff for Contract management.

To achieve the above solution will require that the CWIB enter into a competitive bid process. Qualified Vendors will receive an open request to send a proposal that will meet the needs of all the program participants and the CWIB, based on the business objectives and functional requirements of this feasibility study. Before the CWIB releases the request for solicitation proposals from the vendor community, there will be an advance notification posted on the CWIB website and a mailing to all qualified vendors. CWIB will identify the best method to procure a vendor to build and design the system through the information technology procurement plan (see attachment). Vendors will receive 30 days to submit their written proposals to the CWIB, after the submission period has ended CWIB staff and program partners will have approximately 30 days to review proposals before awarding the contract.

5.2 Source of Funding

The Governor's 15% discretionary funds for WIA have been identified as the source of funds for the redesign of the PBA system. By using 15% funds for the design and implementation of the new system, this alleviates the burden and the complexity of cost allocation through the multiple partners. The funds allocated under the formula below will cover the cost of system development and the first year of operation. The CWIB staff in conjunction with program partners will establish a new allocation formula for ongoing operation and maintenance costs of the system for the subsequent years that the system is in operation. The cost formula will include factors such as, amount of data requiring processing, and complexity of data process, program protocols and requirements. The project management schedule identifies the intent to award the contract in April 2002, which falls into the current budget year, phase 1 of system implementation is scheduled for October 2002, the schedule allows for 180 days to implement after the contract is awarded. Expected usage of funds have been allocated using the following formula:

- PY 2001/2002 - \$1 million
- PY 2002/2003 - \$2 million

5.3 Rationale for Selection

Analysis of the business and functional requirements is the basis and rationale for this decision. The Governor's Office, the PBA Committee, and the Program partners all concluded that a new automated system must be developed to meet the current and future business needs of federal and state legal mandates including WIA and the PBA program partners. The most practical solution for

addressing these unique business functions and requirements is a series of customized applications. Due to the complexity and uniqueness of each program, it was determined that no off the shelf software application can address the business requirements of the federal and state legal mandates and the PBA program partners. The solution will be implemented in a phased approach, the first phase (data collection) should be implemented by October 1, and additional phases listed below reflect tentative dates that will be negotiated between selected vendor and the project team. The project team will define requirements of each phase and deliverable during the system design process.

PHASE & DELIVERABLE	PROJECTED DUE DATE
Phase 1 – Data Collection	November 2002
Phase 2 – Data Matching	December 2002
Phase 3 – Population of Database	February 2003
Phase 4 – Draft Annual Report	April 2003
Phase 5 – Final Annual Report	June 2003

5.4 Alternatives Considered

The section below describes the alternative solutions considered in the development of the proposed solution. In each of the alternatives, the disadvantages outweighed the advantages. Included for each alternative is the rationale for not recommending these solutions.

5.4.1 Alternative 1 – Do nothing. Continue using the existing PBA System "as is."

Advantages of Alternative 1

- No additional training, development or implementation time and resources are required to support this alternative.

Disadvantages of Alternative 1

- Current processes will not address the business objectives or functional requirements of this FSR.
- The existing system's database does not have sufficient capacity to support the requirements mandated under the Workforce Investment Act.
- The existing system did not fulfill the requirements of being a report card system for workforce preparation programs in the State of California, under the California Unemployment Insurance Code (CUIC), Section 15037.1.

The existing system was to produce a turnkey system operable and manageable by staff assigned to the SJTCC, and produce an Annual report card of the workforce preparation programs in the State of California. The resulting processes and policies of the existing system made this impossible and not

practical, due to lack of capabilities, a high manual effort, and poor quality control, made it improbable to meet the legislatively mandated reporting requirements in an adequate timeframe.

5.4.2 Alternative 2 – Use the existing reporting and information access mechanisms of the PBA system and upgrade to a relational database platform. Contract with a private vendor and use civil service staff to perform system development, and management.

Advantages of Alternative 2

- This alternative would require minor modification of the existing infrastructure of the PBA system.
- Current program partners are familiar with the reporting and information access requirements.
- Less time is required for system development, resources and implementation.

Disadvantages of Alternative 2

- Upgrading to a relational database does not fully address the business objectives and functional requirements of this FSR.
- Using the existing reporting and information access mechanisms of the PBA system will not fulfill the requirements of the CUIIC.
- Upgrading the existing system to a relational database will not expedite the data collection process.
- The existing system processes fail to meet the objectives of integrating WIA program partners and data submission activities.
- This alternative does not address new business requirements.

Using the existing reporting and information access mechanisms and upgrading to a relational database, only improves the data storage, and manipulation capacity. The existing reporting and information structure does not provide the needed flexibility required to provide a system with increased accountability and accessibility by the program partners.

5.4.3 Alternative 3 – Make only minimal improvements to reporting and information access mechanisms to address the specific issues raised by PBA system users. Upgrade to a relational database platform. Contract with a private vendor and use civil service staff to perform system development, and management.

Advantages of Alternative 3

- This alternative would require minor modification of the existing infrastructure of the PBA system.
- Current program partners are familiar with the reporting and information access requirements.

- Less time is required for system development, resources and implementation.

Disadvantages of Alternative 3

- Making minimal changes to the reporting and information access mechanisms of the PBA system will not meet the objectives or the functional requirements of this FSR.
- Upgrading the existing system to a relational database will not expedite the data collection process.
- This alternative will not meet the objective of integrating the WIA program partners and their data submission requirements.
- This alternative does not fulfill the requirements of CUIIC, or address the requirements of the WIA.

This alternative only slightly improves upon the current process, and does not provide flexibility, accountability, or accessibility as needed by program partners or under the WIA.

5.4.4 Alternative 4 – Provide PBA system users with a variety of reporting and information access services designed to meet a wide variety of needs: static reports, parameterized reports, and where appropriate, direct on-line access to information they have been authorized to view, extract and manipulate. Upgrade to a relational database. Upgrade data extraction, data collection, transformation, and transport processes to a technology that provides an audit trail of data processing and allows for better management of information and improved trend forecasting. Contract with a private vendor to perform system development, and utilize civil service staff for management of the contract and additional processes as required.

This is the proposed solution; details on the reason for selecting this solution are identified in Section 5.1.

Advantages to Alternative 4

- This alternative fully meets the objectives outlined by this feasibility study and ensures that the State of California is compliant with the federal mandates of the Workforce Investment Act of 1998.
- This alternative fulfills the requirements of the CUIIC, section 15037.1 by providing a comprehensive education and job training report card system.
- This alternative affords programs the opportunity to use file transfer protocol technology to ensure that system data is received timely and secure.
- This alternative provides the most flexibility, accountability and accessibility to all program partners.

- This alternative allows the CWIB and the program partners the most control over the system design and management. This will increase the state's accountability and enhance the program partner's ability to use the system.

Disadvantages to Alternative 4

- This alternative may take the longest time to develop.
- This alternative may cost the most for initial system design and implementation.
- The technological knowledge required for development of a system that connects multiple platforms of data from a variety of programs and Departments, and then distributes the data to partner programs in a manner that is effective for each partner does not currently exist within state government.

Using civil service staff to develop the system is not a viable alternative. The CWIB is a separate entity reporting to the Governor's office, and does not have sufficient staff with the skill levels necessary to develop this type of system. The PBA system and program is a system of program accountability that requires independent development and management.

Workforce Investment Act (WIA) Performance Update

- WIA Annual Report Addendum
- Labor Exchange and Veterans Performance Measures

WIA Performance Update

WIA Annual Report Addendum:

At the December PBA Committee Meeting, staff presented the annual report detailing California's performance in the first year of WIA implementation. California exceeded all negotiated goals related to employment, retention, and earnings, however outcomes for credentials and diplomas were inaccurate because Job Training Partnership Act (JTPA) programs did not collect that data during a significant period of time covered by the report. Staff added that first-quarter results for this year were showing a significant improvement in both areas.

Committee members discussed adding an explanation of the skewed results for credentials and diplomas to the annual report. Attached is an addendum to the annual report explaining the discrepancies in the performance levels in addition to displaying revised younger youth diploma rates and new Statewide Credential Rate Outcomes for the first and second quarters of 2001 juxtaposed to the annual report results. This addendum will be posted on the State Board's website and forwarded to all reviewers of the annual report, including the federal Department of Labor.

Labor Exchange and VETS Performance Measures:

Workforce Investment Act (WIA) Adult Services, Labor Exchange and VETS (Veterans) services are now a part of the same system. The establishment of a performance management system for Wagner-Peyser labor exchange activities represents the first such effort since the inception of the Wagner-Peyser Act in 1933. With increasing emphasis across workforce development programs on performance-based management, continuous improvement, and program outcomes, the current effort to implement a labor exchange performance management system is both essential and timely.

The labor exchange performance measures apply to public labor exchange services provided as part of States One-Stop delivery systems. This includes labor exchange services provided to job seekers and employers under the Wagner-Peyser Act, and to veterans by Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) staff under VETS programs.

Efforts have been made to link Wagner Peyser outcome measurement with WIA measures. For example, the employer customer satisfaction measurement for the Labor Exchange will adopt the results of the ACSI survey administered under WIA Title I services for employers receiving services through the One-Stop System. A representative from the federal Department of Labor Western Region will provide a brief overview of new Labor Exchange and VETS performance measures that will be effective July 2002.

Attachment:

Addendum to California's Workforce Investment Act Annual Report 2000



Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair

California Workforce Investment Board



Gray Davis
Governor

April 10, 2002

To: All Reviewers of California's Workforce Investment Act Annual Report 2000

Thank you for your interest in California's Workforce Investment Act (WIA) program. The Annual Report for Program Year (PY) 2000 provides an overview of the first year of WIA implementation. The report contains information on a number of initiatives that were undertaken by the State Board during the first year of WIA and State evaluation activities that are currently underway or planned for the future. Most importantly, the report presents State and local performance outcomes on the 17 federally required core performance indicators.

Overall, California exceeded performance goals negotiated with the US Department of Labor (DOL) on all of the performance measures that pertain to employment, retention and earnings. Although the report shows that California did not meet negotiated performance levels on the diploma rate for Younger Youth or the credential rate for Adults, Dislocated Workers and Older Youth, this is primarily due to data collection problems and reporting time frames. Information is provided below to assist reviewers in fully understanding the performance outcomes included in the report.

Youth Diploma Rate

The diploma rate includes youth who enter the program at age 18 or less having completed a grade level less than 12 and who do not return to secondary school upon their exit from the program. The measure counts all youth who receive a diploma or equivalent by the end of the quarter following the quarter in which they exit the program.

For the Annual Report, the statewide and local area diploma rate outcomes were calculated for youth who exited the program between July 1, 2000 and March 31, 2001, and who received a diploma or equivalent by the end of the quarter after exit. These time frames were applied because the Youth Diploma Rate is defined by DOL as a program year measure, a measure applied to the period July 1 – June 30, and this approach provided for a completed measurement period by the end of the program year. However, this interpretation resulted in a significant under reporting of diploma attainments. The table below shows the diploma rate outcomes achieved by the State and each of the 50 local areas for youth that exited the program between July 1, 2000 and June 30, 2001, and attained a diploma or equivalent by the end of the quarter

after their exit. These outcomes more accurately represent California's performance on this measure for the program year.

**Revised Younger Youth Diploma Rate
July 2000 to June 2001**

California	53.63%	Mendocino	53.85%	San Bernardino County	72.73%
Alameda	----	Merced	89.83%	South Bay	15.38%
Anaheim	----	Mother Lode	66.67%	Santa Cruz	0.00%
Carson/Lomita/Torrance	68.18%	Monterey	96.49%	San Diego	55.17%
Contra Costa	100.00%	Napa	----	SELACO	5.56%
Foothill	----	NCC	45.98%	San Francisco	0.00%
Fresno	64.23%	NorTEC	78.79%	San Joaquin	33.33%
Golden Sierra	100.00%	NOVA	----	San Jose	0.00%
Humboldt	----	Oakland	16.96%	San Luis Obispo	46.67%
Imperial	30.77%	Orange	43.33%	San Mateo	----
Kern/Inyo/Mono	1.85%	Richmond	----	Solano	0.00%
Kings	100.00%	Riverside	----	Sonoma	40.00%
Los Angeles City	16.49%	Sacramento	53.66%	Stanislaus	27.27%
Los Angeles County	37.16%	Santa Ana	----	Tulare	84.54%
Long Beach	54.55%	Santa Barbara	54.84%	Verdugo	----
Madera	37.50%	San Benito	----	Ventura	0.00%
Marin	50.00%	San Bernardino City	83.33%	Yolo	40.00%

A notation of "----" means that no participants were eligible for this measure.

The increase in the diploma rate outcomes when the April-June exiters are included is due to the time frames for issuing diplomas. Since most diplomas are issued in late June, they are reported in the following quarter. Including the April-June exiters in the calculation would have resulted in California exceeding its negotiated performance goal of 40 percent on the diploma rate.

Credential Rate

As indicated in the table below, performance on the credential rate for Adults, Dislocated Workers and Older Youth showed a dramatic improvement in the first and second quarters of PY 2001 when compared to the Annual Report results.

**Statewide Credential Rate Outcomes
Annual Report vs First and Second Quarter 2001**

Customer Group	Annual Report	First Quarter 2001	Second Quarter 2001
Adult	12.9%	49%	50.1%
Dislocated Worker	17.4%	55%	55.2%
Older Youth (19-21)	6.1%	30.9%	28.6%

The credential rate includes individuals who were employed in the first quarter after their exit from the program and who received a credential by the end of the third quarter. For performance

purposes, a credential is defined as a recognized degree or certificate. Credentials may include a high school diploma, GED or other recognized equivalents, post-secondary degrees/certificates, recognized skill standards, and licensure or industry-recognized certificates.

In the Annual Report, the credential rate measured individuals who exited the program from October 1999 to September 30, 2000. Three quarters of these exiters were former Job Training Partnership Act (JTPA) program participants. The low outcomes are primarily due to data collection problems. The credential rate measure was not required under the old JTPA program. Consequently, data were not collected for JTPA exiters in most cases. Additionally, local areas did not realize that they could count clients who received a certificate for the completion of training in the credential rate so many areas did not report these clients as having attained a credential. The marked improvement shown in the first and second quarter results for the credential rate is due, in part, to local areas improving their understanding of what can be reported and the inclusion of WIA exiters from the October-December 2000 and the January-March 2001 quarters in the calculation.

WIA Performance and Reporting Requirements

In reviewing the Annual Report outcomes, it is important to recognize that the DOL performance system is extremely complex and very difficult to understand. Without an intimate knowledge of the measures and what they include it is almost impossible to correctly interpret the performance results. Differences in reporting requirements from the former JTPA program also make it difficult to compare program data. For example, the participation levels shown in the Annual Report appear to be much lower than the number of participants served in the former JTPA program. However, this is due, in part, to the difference in reporting requirements between the two programs. Under JTPA, all participants receiving any type of services were reported to the State. WIA only requires local areas to report participants who receive staff assisted core services, intensive services or training. The participation levels do not speak to the hundreds of thousands of clients who visit California's 444 One Stop Centers each day and receive services that are not reportable.

California is currently participating in a pilot study that DOL is conducting in an effort to develop methods that can be used to estimate the number of non-registered clients receiving WIA services. It is anticipated that DOL will issue new reporting guidance that will require all individuals receiving services to be counted and reported to the State in future program years. Until these changes are implemented, WIA program data cannot be used to provide a complete or accurate account of actual program activity.

Please keep these considerations in mind in reviewing the Annual Report for PY 2000.

Sincerely,

PAUL GUSSMAN
Deputy Director

Any Further Business that May Come Before the Committee